

Central Intelligence Agency

Washington, D. C. 20505

## DIRECTORATE OF INTELLIGENCE

MEMORANDUM FOR: Michael Driggs  
Deputy Assistant Secretary for Automotive  
Industry Affairs  
Department of Commerce

FROM: [REDACTED]  
Director of Global Issues

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SUBJECT: Japan Auto Industry

1. Attached is the additional information you requested concerning the Japanese automobile industry. More specifically, the package contains three related, though unintegrated, reports:

- I. Growing Financial Strength of Japan's Auto Producers.
- II. Japanese Automotive Production Capabilities.
- III. Japanese Automotive R&D.

This information should prove helpful in your assessment of the competition facing the US auto industry.

2. The attached memoranda reflect information available as of 14 January 1983. If you have any questions, please call [REDACTED] Chief, Civil Technology and Industry Division [REDACTED]

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Attachments:  
As Stated

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SUBJECT: Japan Auto Industry

OGI/TID,  (17 January 1982)

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## I. Growing Financial Strength of Japan's Auto Producers

Japan's automobile producers now hold the greatest amount of financial power and flexibility in the world auto industry. Japanese automakers have successfully generated excess cash resources, reduced debt and continued capital investments with little financial dependence on external sources. This financial strength gives Japanese companies several capabilities:

- o to increase investment in R&D for new product and process technologies;
- o to take advantage of market upturns and hold reserves to cushion downturns;
- o to move production off-shore with the lowest capital costs;
- o to invest in new diversified product areas such as aerospace, housing, and machinery. [REDACTED]

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The following information is derived from an evaluation of Japanese company reports. We believe that the collective financial power of Japanese automakers is probably greater than is reflected in these annual reports. Since Japanese auto companies are only final assemblers of components from highly integrated groups of independently reported subsidiary operations, the annual reports can underestimate the financial power of the main firm. Toyota and Nissan, for example, each have more than 200 subsidiaries, and the value added at Toyota represents only about 30 percent of the total value of the vehicle. Furthermore, unconsolidated financial reporting allows the producers to conceal a variety of transactions. [REDACTED]

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[REDACTED] Moreover, the auto groups themselves operate as members of even larger industrial/financial groups which produce additional access to broad financial, strategic, material, and organizational resources. [REDACTED]

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### Indicators of Financial Growth

The financial strength of Japan's automakers has increased steadily over the past decade. With a high quality, fuel efficient product line and an aggressive marketing strategy, Japanese firms have been able to maintain sales during both market downturns of the past decade (1974-75 and 1980-81) (Table 1). These high sales volumes, in conjunction with their

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strategies to reduce manufacturing costs, have provided high returns on sales and capital over the past decade (Graphs 1 and 2). These substantial returns have enabled the producers to reduce long-term debt, further reducing costs, and continue to invest in the most technologically advanced capital equipment (Graph 3). Toyota, in fact, has been debt free since 1978.

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To reduce long-term debt and obtain new sources of capital, Japanese auto firms are increasingly seeking equity funds (Graph 4). The equity is owned primarily by Japanese financial institutions, rather than individual shareholders (Table 2). The Japanese firms' financial positions are further strengthened because financial institutions have been unconcerned about the operating characteristics of the companies and a quick return on investment. Thus, the firms are allowed to use the capital to focus on longer-term investment decisions.

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### Flexibility of Financial Strength

Even during the recent world auto slump, Japanese firms have done better than their major competitors on the financial front. Most Japanese auto firms have maintained positive cash flows, despite the current slowdown in sales at home and growing constraints on export volume (Graph 5). Net working capital, a general measure of liquidity, has also remained high or, in the case of Toyota, increased (Graph 6). The combination of excess cash resources and a low debt has protected Japanese firms from the kind of financial pressures now facing the US and West European firms.

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Japanese automakers are currently using their financial strength to prepare themselves for the uncertain market environment of the next few years. A large proportion of each company's financial resources continue to be used to strengthen their technological capabilities and manufacturing efficiencies. Increases in R&D and capital expenditures confirm the plowback of these resources into the development of the next generation of products and processes to meet future world markets (Graph 7 and 8). Some firms, such as Nissan and Honda, are using a substantial proportion of these funds to establish production facilities overseas. The opportunity costs remain low because the Japanese have been able to finance the majority of these expansions with internal operating funds, not external debt.

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The Japanese are also using their strong financial position to invest in areas outside the firm (Graph 9, See also Balance Sheets in Appendix). These investments have been made in subsidiaries and affiliates as well as non-affiliated companies. To subsidiaries and affiliates, the investments are a

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[redacted]

way to provide cheap capital funds, especially for R&D, and a means to integrate vertically. Investments in non-affiliates provide auto companies a means of diversifying their financial base and reducing risks through diversification of product lines (i.e., countercyclical investments). Toyota, for example, is rapidly moving into production of modular housing. Other companies are venturing into machinery, industrialized equipment, and aerospace--all largely financed from the vehicle sales base. [redacted]

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### Strong Financial Outlook

Industry analysts believe the financial power of the Japanese will tend to increase, relative to their competitors, over the next decade. For one thing, the Japanese are not burdened by large debt, and should be able to use their diversified investments to counter fluctuations in the automotive market. US and European producers, on the other hand, are increasing their level of debt and capital obligations; in these circumstances a substantial share of and future increases in revenues will have to be used to finance debt. [redacted]

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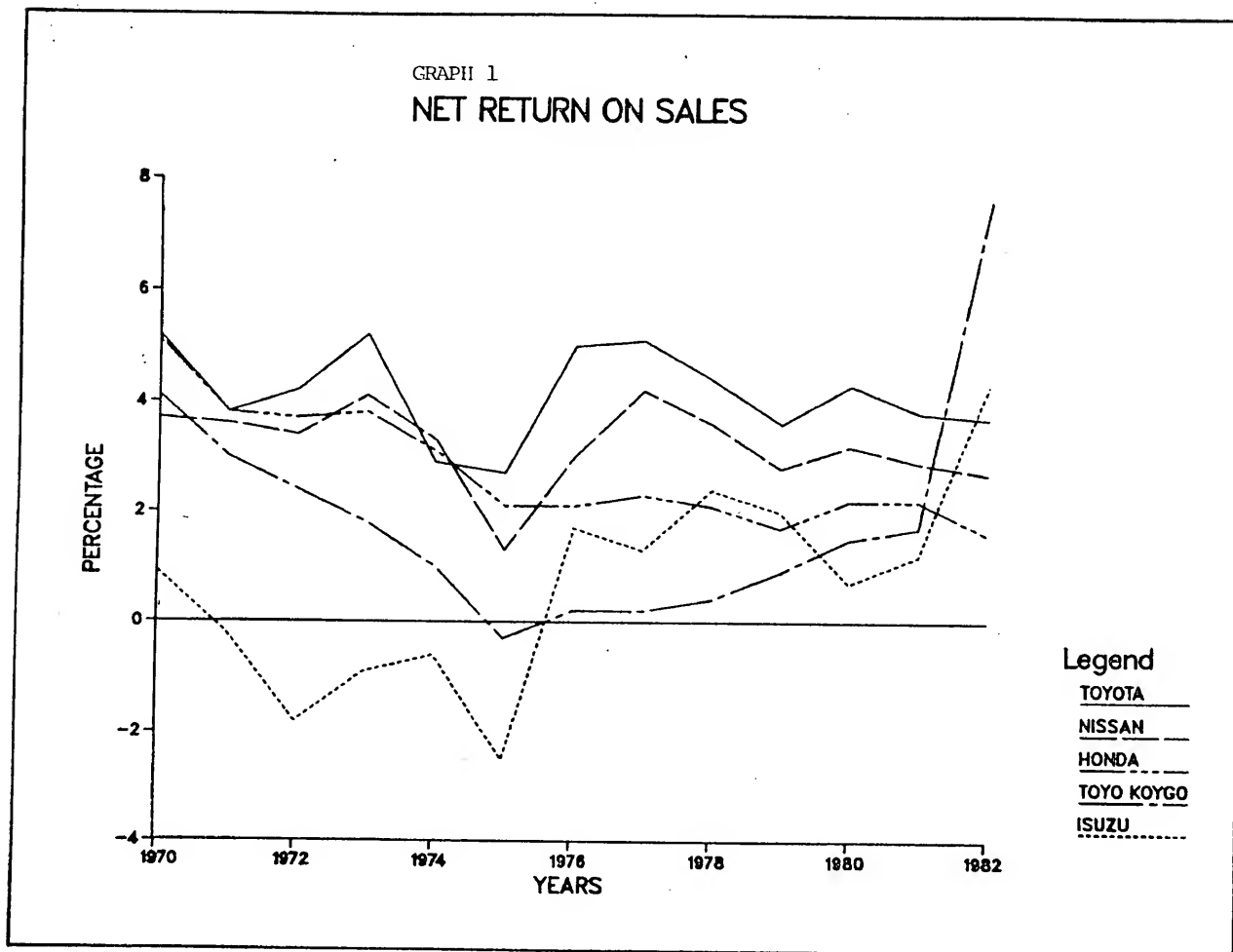
Table 1

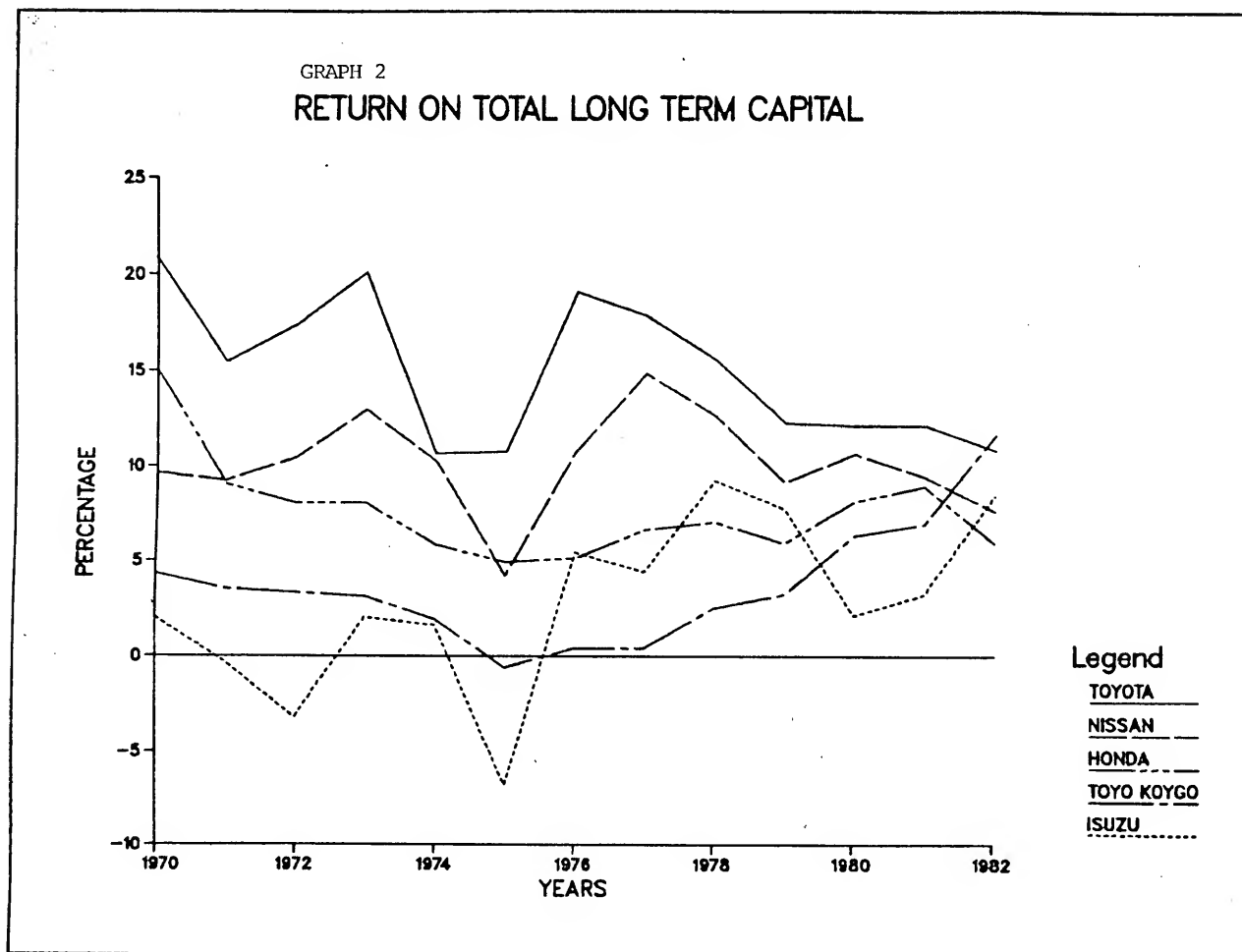
Japan: Auto Sales in Selected Years  
(stated in 1,000 vehicles)

|                     | <u>1982*</u> | <u>1981</u> | <u>1980</u> | <u>1978</u> | <u>1976</u> |
|---------------------|--------------|-------------|-------------|-------------|-------------|
| Total Unit Sales    | 10,970       | 11,179      | 11,042      | 9,269       | 7,841       |
| Domestic Sales      | 5,010        | 5,131       | 5,075       | 4,509       | 4,132       |
| Foreign Sales       | 5,956        | 6,048       | 5,967       | 4,717       | 3,709       |
| Percentage of which |              |             |             |             |             |
| United States       | 33           | 38          | 43          | 47          | 37          |
| Western Europe      | 19           | 20          | 21          | 21          | 20          |

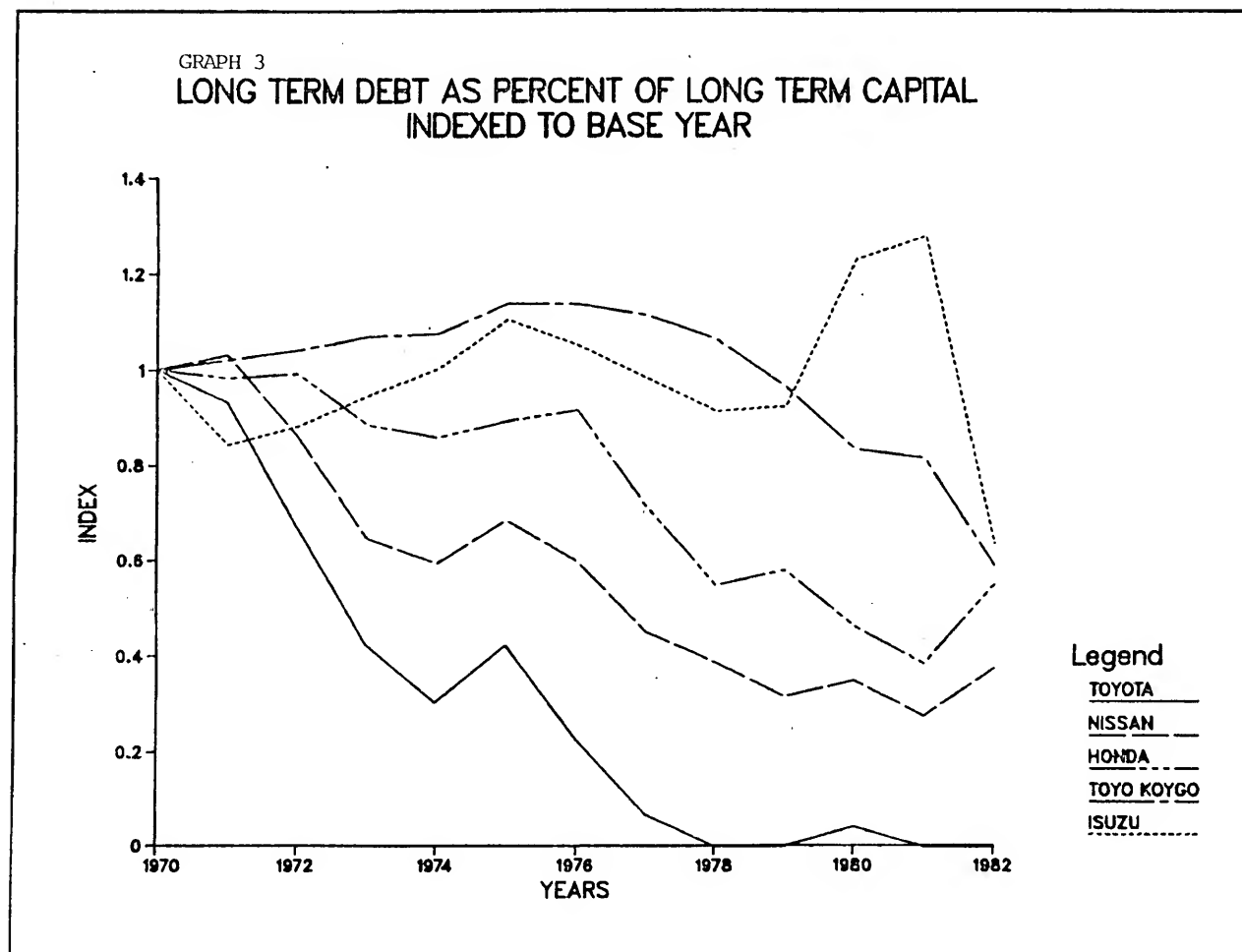
\*estimated

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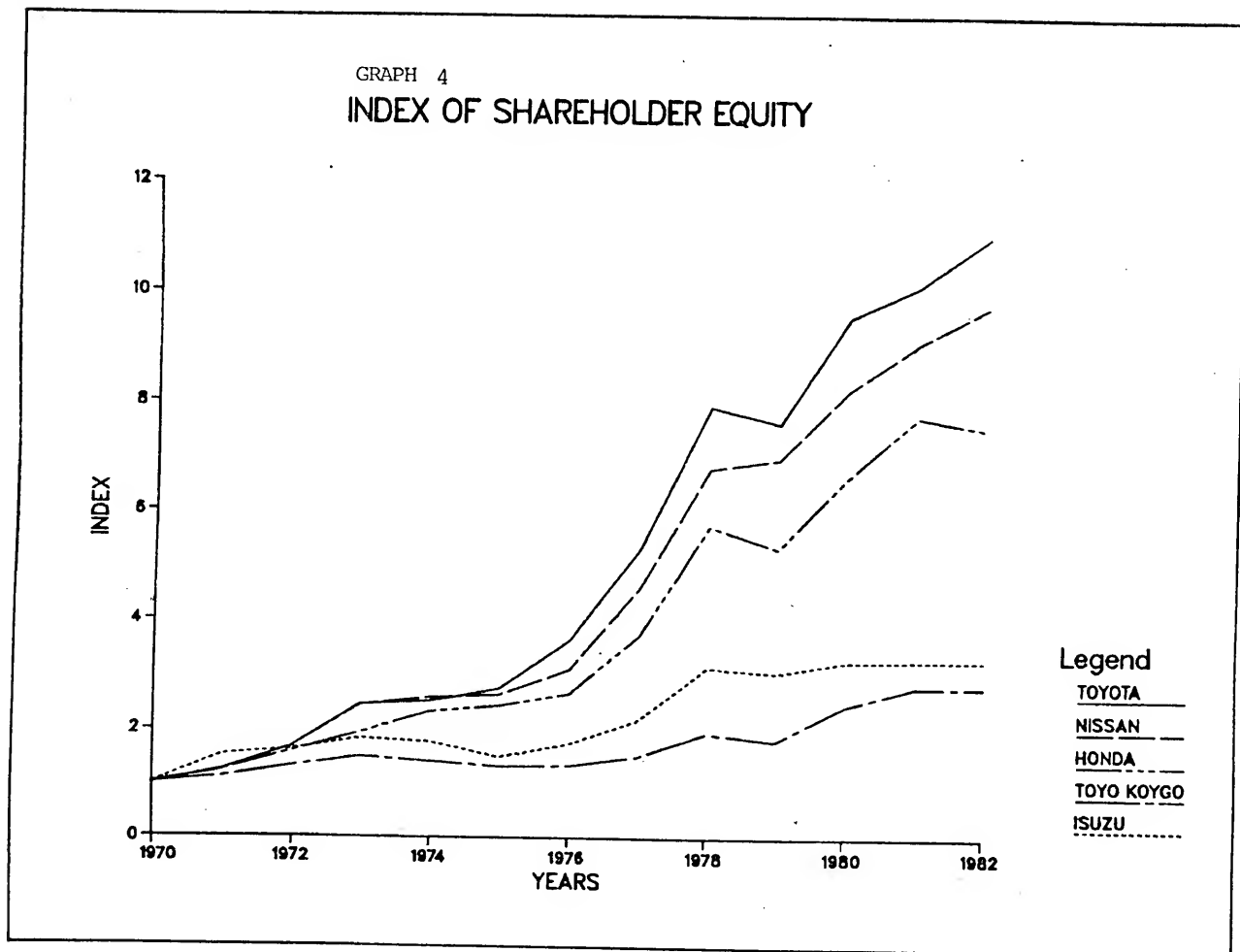
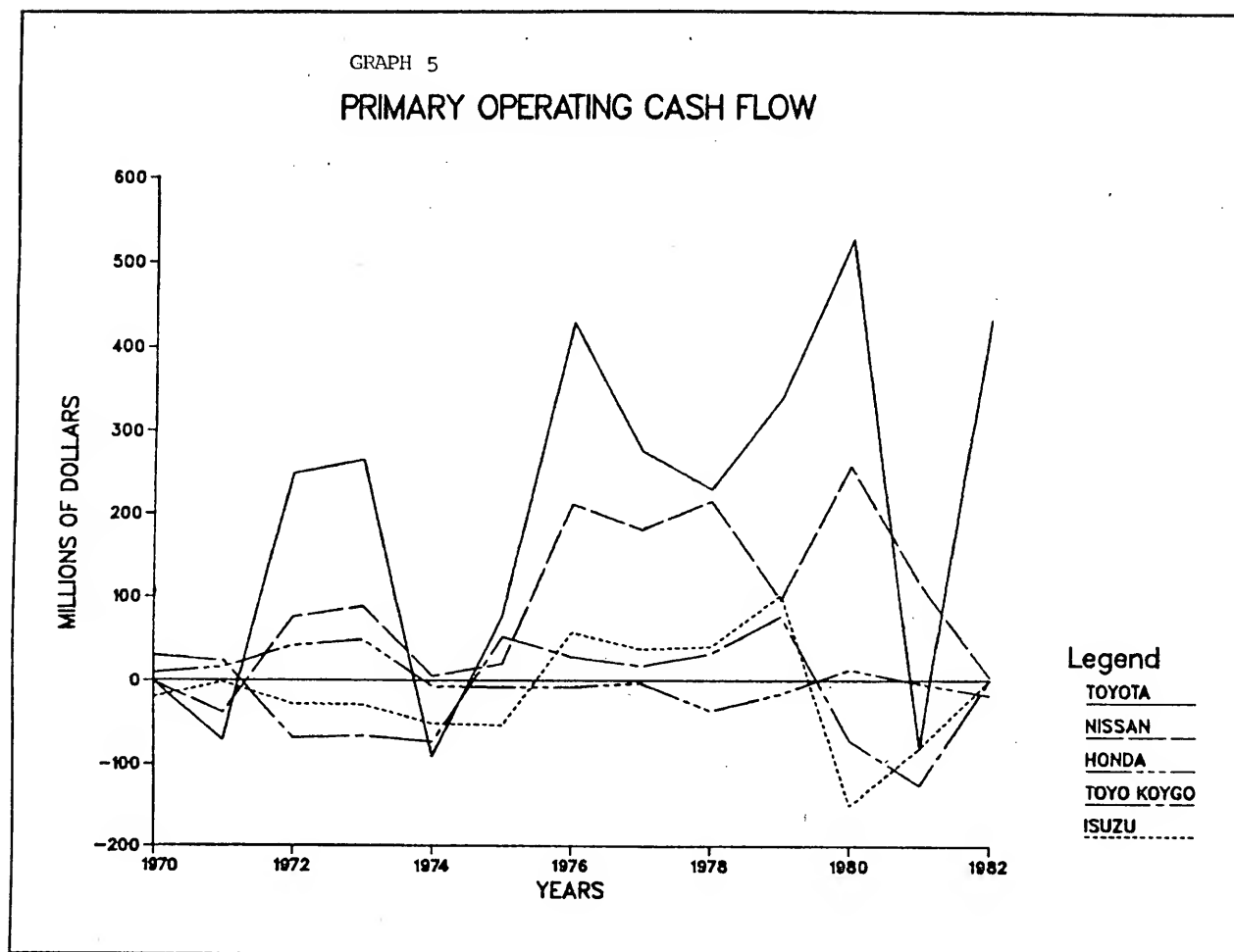
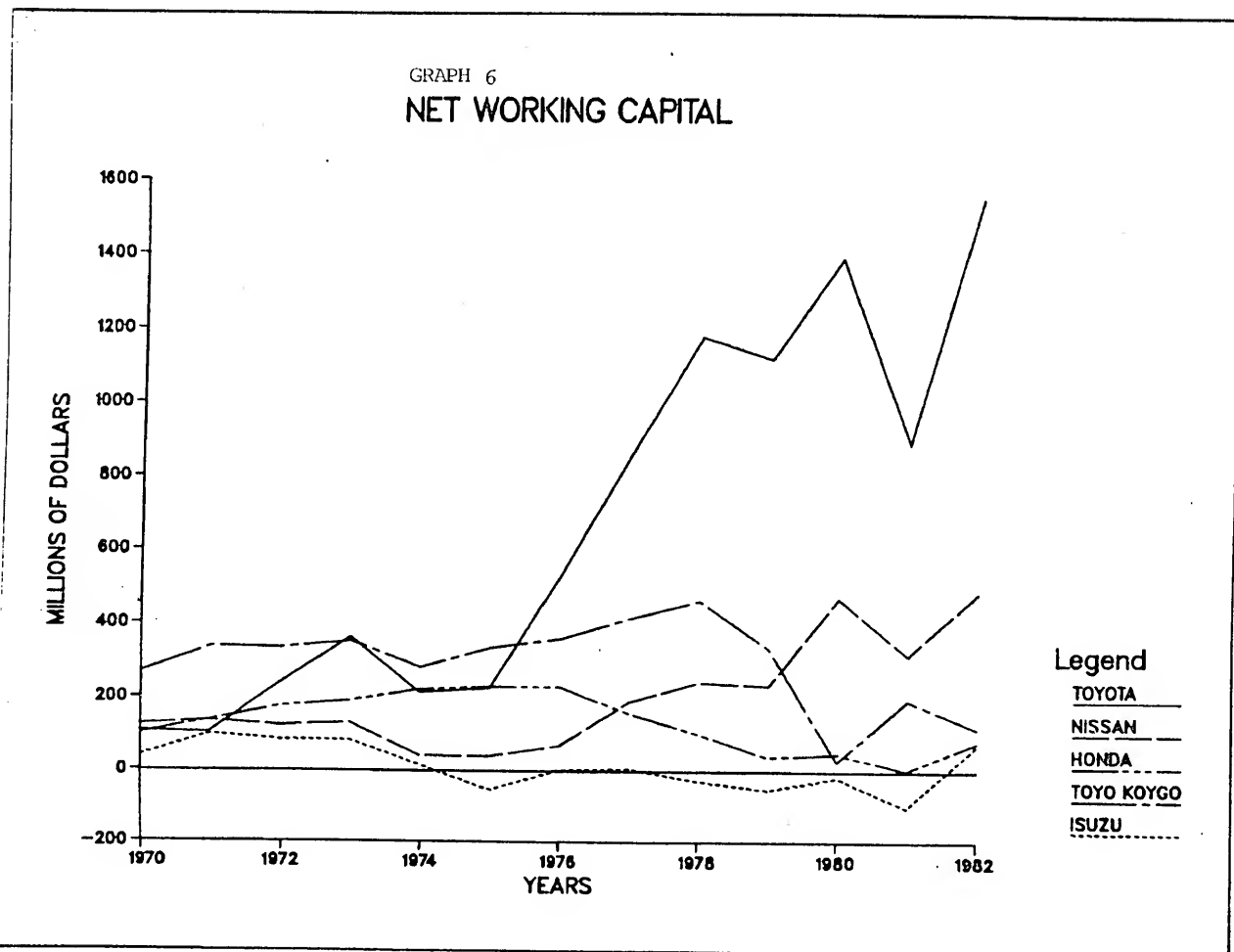


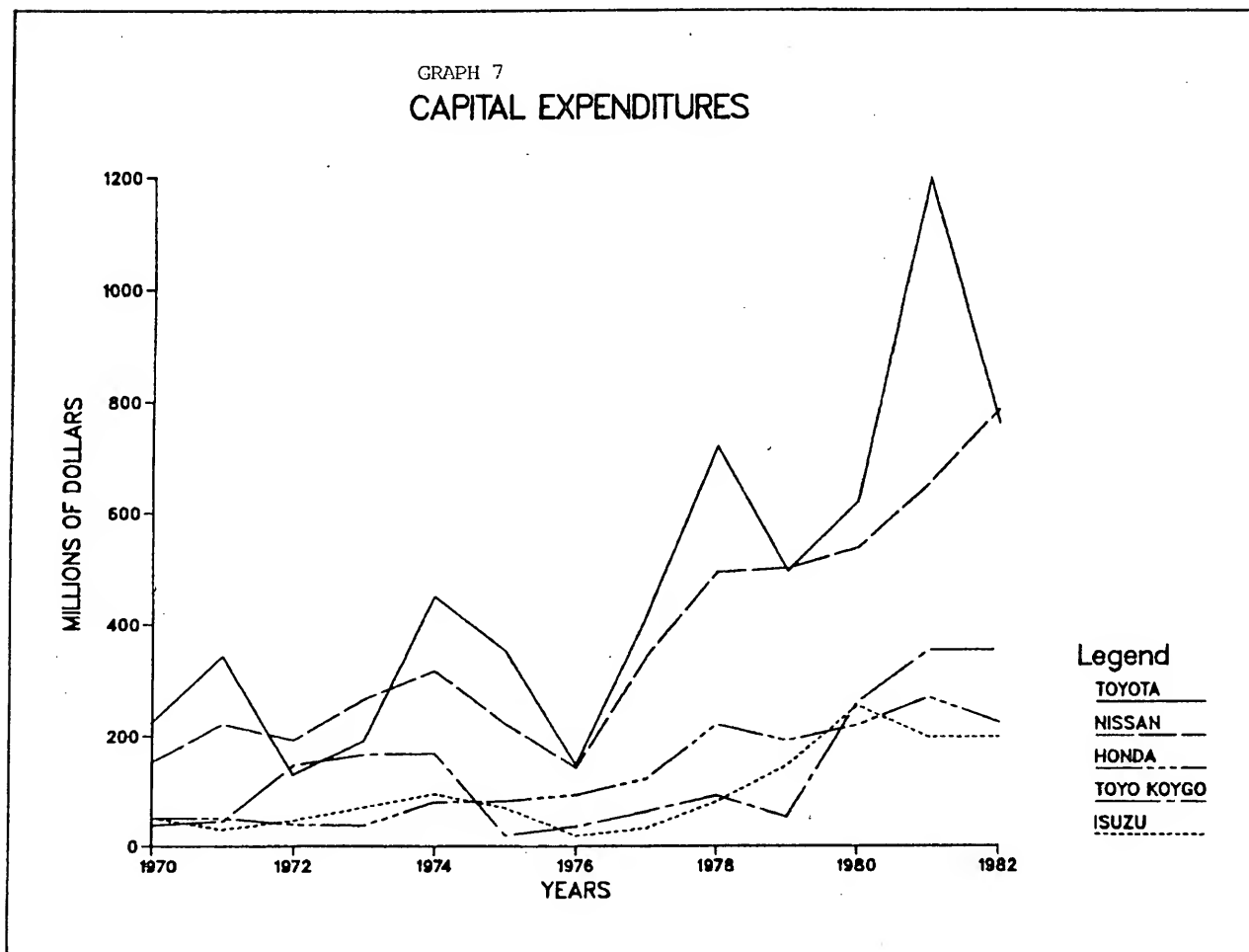
Table 2

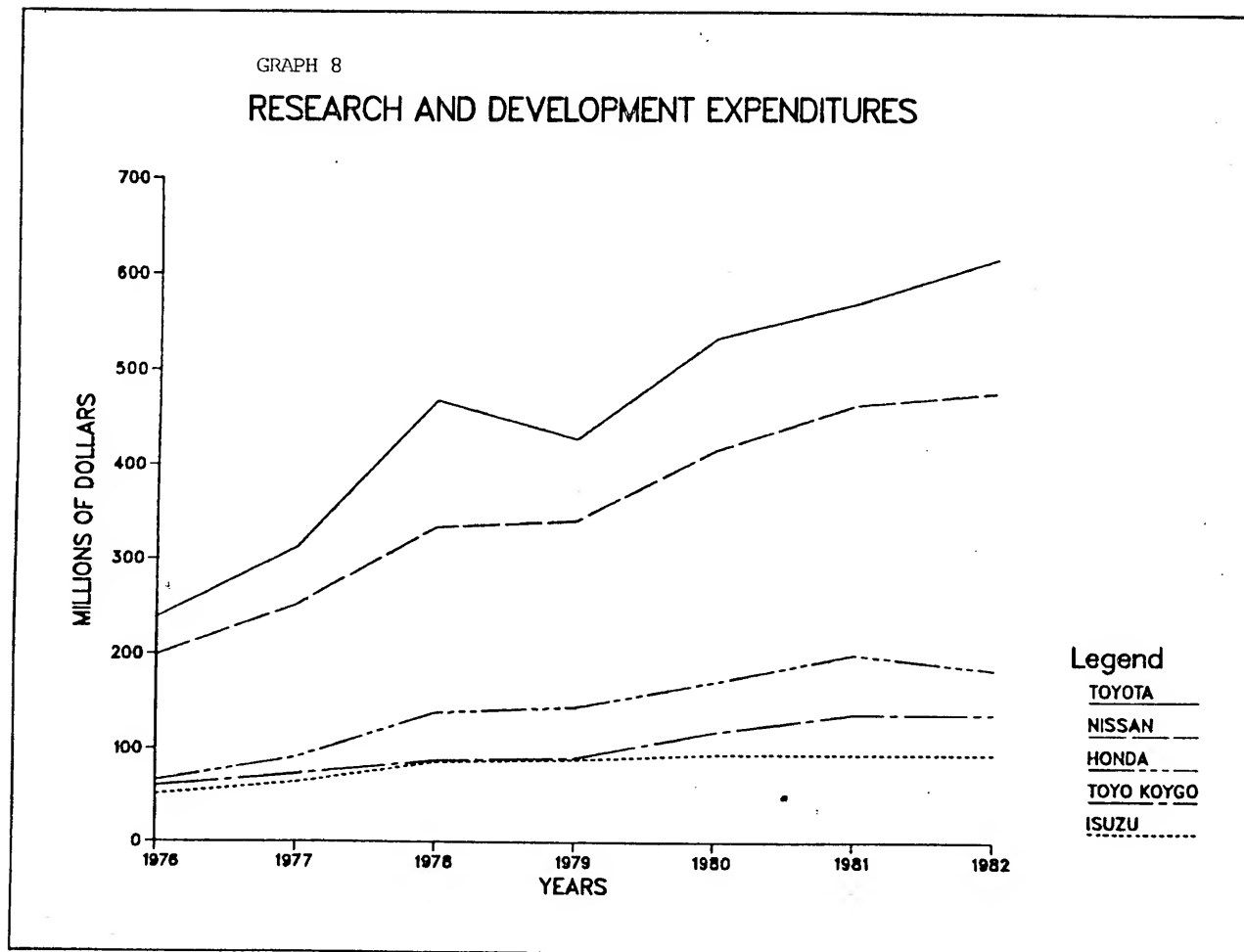
Common Stock Holdings  
(Percentage of Shares Held)

|                   | 1982  | 1981  | 1980  | 1979  | 1978  | 1977  | 1976  | 1975  | 1974  | 1973  | 1972 | 1971 | 1970 |
|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|
| <b>Toyota</b>     |       |       |       |       |       |       |       |       |       |       |      |      |      |
| By Financial      |       |       |       |       |       |       |       |       |       |       |      |      |      |
| Institutions      | 62.7  | 61.5  | 61.1  | 61.0  | 60.0  | 58.5  | 60.0  | 58.7  | 58.1  | 58.1  | 0    | 0    | 0    |
| By Other Corp.    | 22.0  | 24.2  | 24.3  | 24.1  | 23.9  | 24.9  | 25.1  | 25.5  | 25.7  | 25.2  | 0    | 0    | 0    |
| Other             | 15.3  | 14.3  | 14.6  | 14.9  | 16.1  | 16.6  | 14.9  | 15.8  | 16.2  | 16.7  | 0    | 0    | 0    |
| Total             | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0    | 0    | 0    |
| <b>Nissan</b>     |       |       |       |       |       |       |       |       |       |       |      |      |      |
| By Financial      |       |       |       |       |       |       |       |       |       |       |      |      |      |
| Institutions      | 57.0  | 53.8  | 61.4  | 61.1  | 60.4  | 58.7  | 57.7  | 57.2  | 57.2  | 0     | 0    | 0    | 0    |
| By Other Corp.    | 28.0  | 28.9  | 30.3  | 30.3  | 30.6  | 29.9  | 31.0  | 31.9  | 32.5  | 0     | 0    | 0    | 0    |
| Other             | 15.0  | 12.3  | 8.3   | 8.6   | 9.0   | 11.4  | 11.3  | 10.9  | 10.3  | 0     | 0    | 0    | 0    |
| Total             | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0     | 0    | 0    | 0    |
| <b>Honda</b>      |       |       |       |       |       |       |       |       |       |       |      |      |      |
| By Financial      |       |       |       |       |       |       |       |       |       |       |      |      |      |
| Institutions      | 46.0  | 43.9  | 42.0  | 39.4  | 36.7  | 37.4  | 37.3  | 35.5  | 32.5  | 0     | 0    | 0    | 0    |
| By Other Corp.    | 20.3  | 21.7  | 20.7  | 21.7  | 20.8  | 21.9  | 22.3  | 23.1  | 24.7  | 0     | 0    | 0    | 0    |
| Other             | 33.7  | 34.4  | 37.3  | 38.9  | 42.5  | 40.7  | 40.4  | 41.4  | 42.8  | 0     | 0    | 0    | 0    |
| Total             | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0     | 0    | 0    | 0    |
| <b>Toyo Kogyo</b> |       |       |       |       |       |       |       |       |       |       |      |      |      |
| By Financial      |       |       |       |       |       |       |       |       |       |       |      |      |      |
| Institutions      | NA    | 42.6  | 41.0  | 55.7  | 49.5  | 48.4  | 49.0  | 49.9  | 49.6  | 50.5  | 0    | 0    | 0    |
| By Other Corp.    | NA    | 16.5  | 17.1  | 19.8  | 16.4  | 17.1  | 17.5  | 17.6  | 18.2  | 18.6  | 0    | 0    | 0    |
| Other             | NA    | 40.9  | 41.9  | 24.5  | 34.1  | 34.5  | 33.5  | 32.5  | 32.2  | 30.9  | 0    | 0    | 0    |
| Total             | NA    | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0    | 0    | 0    |
| <b>Isuzu</b>      |       |       |       |       |       |       |       |       |       |       |      |      |      |
| By Financial      |       |       |       |       |       |       |       |       |       |       |      |      |      |
| Institutions      | NA    | 30.2  | 30.9  | 31.7  | 31.9  | 30.1  | 29.4  | 29.0  | 29.5  | 29.5  | 0    | 0    | 0    |
| By Other Corp.    | NA    | 18.8  | 19.6  | 20.0  | 20.3  | 17.5  | 18.9  | 18.5  | 18.1  | 17.9  | 0    | 0    | 0    |
| Other             | NA    | 51.0  | 49.5  | 48.3  | 47.8  | 52.4  | 51.7  | 52.9  | 52.9  | 52.6  | 0    | 0    | 0    |
| Total             | NA    | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0    | 0    | 0    |

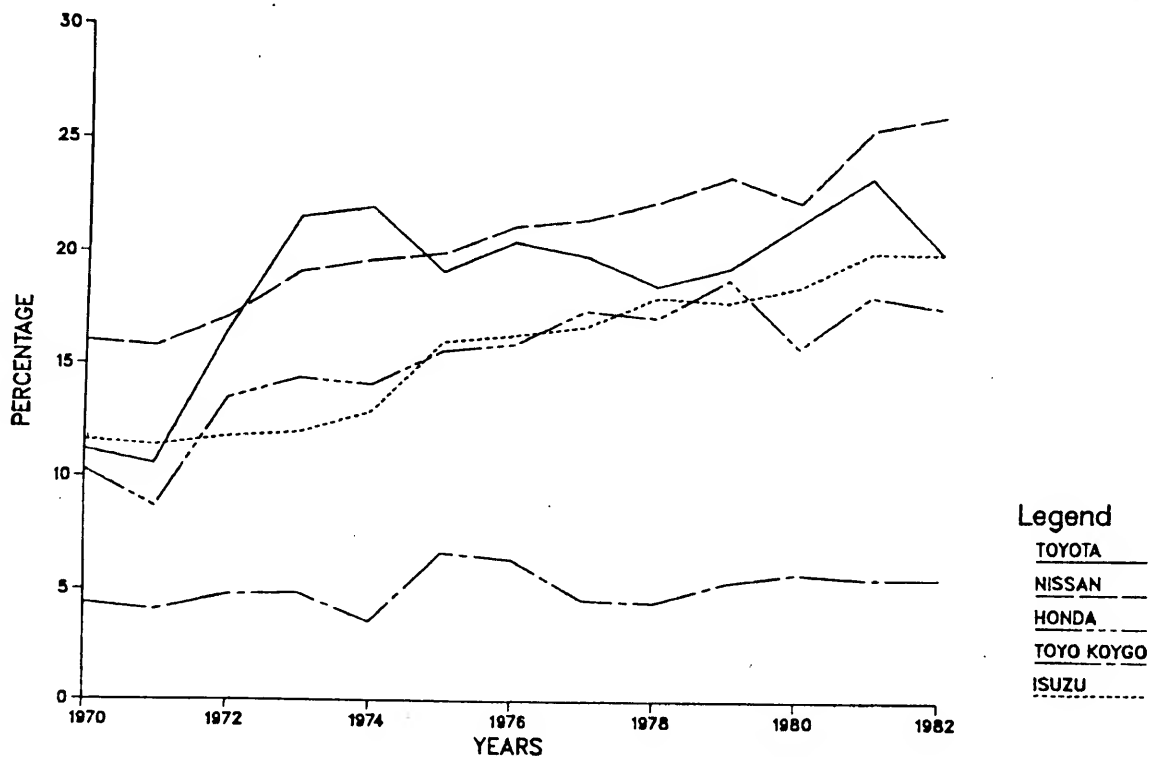








GRAPH 9  
INVESTMENTS AS A PERCENTAGE OF TOTAL ASSETS





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## II. Japanese Automotive Production Capabilities

We estimate current Japanese annual automotive production capability under normal operating conditions (straight time) to be 11.2 million vehicles (see table 1). Normal operation is based on two eight hour shifts, 247 days per year. All subcontractors' assembly capacity is included in this estimate. We estimate that Japanese auto makers are capable of increasing production beyond normal operations to a maximum annual total of 13.9 million vehicles.

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### Observed Practices: Production Rates

[redacted] during the last two years the Japanese auto industry has operated at up to 15 percent above normal operating conditions (straight time). Generally a production target for each assembly plant is set by the company's management in coordination with the sales division's projected product demand.<sup>1</sup> Basically they can increase straight time operating rates the following ways:

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- o extending each work shift by up to two hours and reducing maintenance periods between shifts correspondingly.
- o extending the work week to up to seven days per week.

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We estimate the Japanese are currently able to produce a maximum of up to 13.9 million vehicles annually if they made maximum use of longer shift and work week option. Our estimate assumes the mix of shift and work week schedules and allows for a 6 percent downtime as contained in table 2. [redacted]

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1. Japanese auto plants are flexibly designed to react quickly to changes in the composition of vehicle demand. Due to the commonality of parts between light trucks and passenger cars much of the capacity can be changed in three to six weeks to produce different models or vehicle types; e.g. an existing light truck facility can be changed to produce the same amount of passenger cars at the facility. Passenger car and light truck capacity accounts for 90 percent of total production capacity (see table 3). In practice there has been little or no switching. [redacted]

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Production at these rates is limited by the strain of longer working hours placed on the workforce. The more intense the production rate, the shorter the period of time the rate can be sustained.

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Wage premiums and bonuses encourage Japanese autoworkers to accept longer work hours. In fact, straight time wages account for only 55 percent of total income. Production bonuses for meeting monthly production targets account for another 25 percent, and overtime premiums account for the remaining 20 percent.

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#### **Future Capability: 1985**

We estimate Japanese annual automotive vehicle production capability will increase by 1.3 million vehicles to a total of 12.5 million vehicles in 1985 (see table 4) based on normal operating (straight time) conditions. Using the same production scenerio presented in the previous section we estimate the 1985 maximum annual Japanese production capability will be 15.9 million vehicles (see table 1). Our estimates that appear in table 3 are based on the following announced plant expansions:

- o Toyo Kogyo accounts for more than half of Japan's expansion. Its expansion plans include three new assembly plants in Kyushu, Hofu, and Nishinoura, each with a rated capacity of 240 thousand cars per year.
- o Isuzu plans a three year project to increase its annual productive capacity by 300 thousand vehicles when its new Fujisawa plant is completed in 1985.
- o Suzuki's new plant at Kosai is scheduled to increase its capacity by 140 thousand mini cars by 1984.
- o Fuji's total capacity is to be increased by 100 thousand vehicles when its Ohizumi plant is completed in 1983.
- o Nissan Deisel's new plant at Gunma increases capacity by 20,000 vehicles per year, replacing some obsolete capacity as its Kawaguchi facilities.
- o Mitsubishi, Daihatsu and Honda plan to increase production capacity by expanding existing facilities.

Our review of Japanese auto industry reports did not reveal any plans for plant retirements. As far as we can determine, neither Toyota nor Nissan have announced plans to expand domestic production facilities.

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Table 3

## Japanese 1982 Production Mix

|               | Percent Share |           |           |       |
|---------------|---------------|-----------|-----------|-------|
|               | Cars          | Lt.Trucks | Med/Heavy | Buses |
| Toyota        | 70            | 19        | 10        | 1     |
| Nissan        | 72            | 21        | 6         | 1     |
| Mitsubishi    | 55            | 35        | 10        | *     |
| Honda         | 85            | 15        | 0         | 0     |
| Toyo Kogyo    | 71            | 19        | 10        | *     |
| Suzuki        | 16            | 84        | 0         | 0     |
| Isuzu         | 28            | 37        | 33        | 2     |
| Fuji          | 40            | 60        | 0         | 0     |
| Daihatsu      | 31            | 66        | 3         | *     |
| Hino          | 0             | 3         | 88        | 9     |
| Nissan Diesel | 0             | 0         | 95        | 5     |
| Total         | 64            | 26        | 8         | 2     |

\* Less than one percent of total production.

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### III. Japanese Automotive R&D

According to company data, the five major Japanese automakers are spending roughly \$1.5 billion annually on research and development (R&D). Although this figure includes some expenditures that went to production facilities instead of R&D, they do not include the R&D expenditures of some 250 component suppliers to the industry for the components they produce such as the automotive divisions at Nippondenso, Mitsubishi Electric, and Aisan. At this time no estimate can be provided as to the extent that these suppliers contribute to total automotive research and development in Japan, but we believe their contribution of the major auto parts suppliers is substantial. In addition, companies' R&D efforts also benefit from imported foreign technologies, such as front-wheel drive technology, and government supported research programs through direct grants, low interest loans and tax credits. [REDACTED]

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Over the past three years, Toyota, Nissan and Honda have allocated approximately 60 percent of their research and development (R&D) budgets to develop front-wheel drive and weight reduction technologies. The remaining 40 percent has been spent on technologies aimed at improving the fuel efficiency of engines and on safety research. As a result of these efforts, by 1986 their average fuel economy is expected to increase up to 20 percent, and 80 percent of small car production is expected to be front-wheel drive models. [REDACTED]

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#### Near Term Technology

Based on our discussions with industry experts, we believe that near term product developments in the Japanese auto industry will be evolutionary improvements of existing technology in electronics, aerodynamics and materials rather than revolutionary developments of new technologies. Japan has taken an aggressive approach toward increasing the efficiency of their small cars by improving engine design using multi-valved cylinders, ceramic ignition parts, lean burn carburetors and swirl combustion chambers. The Japanese are also continuing to broaden their product range of both mini-cars and higher priced models. In addition, they are working to extend their application of: (1) electronic engine and transmission controls, (2) turbo-chargers for use in small engines, (3) aerodynamics, (4) electronic display systems, and (5) materials to reduce vehicle weight. [REDACTED]

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Major improvements in manufacturing technology are also being aggressively developed by the Japanese automakers according to industry experts. Toyota and Toyo Kogyo are at the forefront in moves to increase productivity. With well honed management techniques already in place, the Japanese are placing greater emphasis on the application of robotics, CAD/CAM and flexible manufacturing systems. Industry experts estimate the Japanese will increase productivity 20 percent in the late 1980's by increasing the use of automation in the manufacturing process. Toyo Kogyo and Toyota, for example, are using their assembly facilities at Hofu and Tawahara respectively as test facilities for a series of new automated stamping presses. The process will virtually eliminate labor in the entire stamping to assembly process. Once the Japanese are satisfied with the process, it will be employed in virtually all assembly facilities.

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#### Longer Term Focus

Longer term R&D efforts focus on gas turbine engine technology, ceramic diesel engines, and composite materials. Industry experts we have consulted with believe that most of these technologies will not have serious commercial application until the late 1980's at the earliest. The Japanese, however, are making significant progress in applying ceramic materials to automotive engines and have successfully road tested diesel engines with ceramic parts. Ultimately, the goal of this research is an engine with heavy use of ceramic parts that would improve fuel economy by increasing an engine's thermal efficiency and reducing overall car weight by eliminating the need for cooling systems. Toyota has recently announced the development of an aluminum piston reinforced with alumina-silica ceramic fibers. The introduction of these composite pistons is another significant step toward the use of ceramics in engines. Japanese ceramic materials are high quality, but available information suggests that fabrication technology needed to apply ceramics in automobile engines is not as refined as the highly publicized road tests would indicate. If they can solve their problems, Japan will be able to introduce a diesel engine with ceramic components by 1990.

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**Reported Automotive  
Research and Development Expenditures**

(Stated in Million US \$)

|                   | <u>1982</u> | <u>1981</u> | <u>1980</u> | <u>1979</u> | <u>1978</u> | <u>1977</u> | <u>1976</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Toyota</b>     | 616         | 570         | 533         | 427         | 467         | 312         | 238         |
| <b>Nissan</b>     | 477         | 464         | 416         | 341         | 334         | 252         | 199         |
| <b>Toyo Kogyo</b> | 155         | 138         | 119         | 91          | 88          | 73          | 60          |
| <b>Honda</b>      | 185         | 201         | 172         | 145         | 139         | 91          | 66          |
| <b>Isuzu</b>      | 97          | 95          | 95          | 89          | 86          | 64          | 51          |

Exchange rates used to convert Yen into Dollars are as follows;  
 1982 = 250.0, 1981 = 227.5, 1980 = 217.3, 1979 = 229.7,  
 1978 = 201.4, 1977 = 256.5, 1976 = 292.5



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FINANCIAL TABLES

I. Financial Ratios

- o Net Return on Sales
- o Return on Total Long-Term Capital
- o Long-Term Debt as Percent of Long-Term Capital
- o Long-Term Debt Indexed to Base Years
- o Primary Operating Cash Flow
- o Net Working Capital
- o Index of Shareholder Equity
- o Investments as a Percentage of Total Assets

II. Flow of Funds Statements

- o Toyota Motor Corporation
- o Nissan Motor Co., LTD.
- o Honda Motor Co., LTD.
- o Toyo Kogyo Co., LTD.
- o Isuzu Motors Limited

III. Summary Balance Sheets

- o Toyota Motor Corporation
- o Nissan Motor Co., LTD.
- o Honda Motor Co., LTD.
- o Toyo Kogyo Co., LTD.
- o Isuzu Motors Limited

IV. Exchange Rates

## Data for Graphs

Net Return on Sales\*  
(percentage)

|            | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1976 | 1975  | 1974  | 1973  | 1972  | 1971  | 1970 |
|------------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|------|
| Toyota     | 3.7  | 3.8  | 4.3  | 3.6  | 4.4  | 5.1  | 5.0  | 2.7   | 2.9   | 5.2   | 4.2   | 3.8   | 5.2  |
| Nissan     | 2.7  | 2.9  | 3.2  | 2.8  | 3.6  | 4.2  | 3.0  | 1.3   | 3.3   | 4.1   | 3.4   | 3.6   | 3.7  |
| Honda      | 1.6  | 2.2  | 2.2  | 1.7  | 2.1  | 2.3  | 2.1  | 2.1   | 3.1   | 3.8   | 3.7   | 3.8   | 5.1  |
| Toyo Kogyo | 7.6  | 1.7  | 1.5  | 0.9  | 0.4  | 0.2  | 0.2  | (0.3) | 1.0   | 1.8   | 2.4   | 3.0   | 4.1  |
| Isuzu      | 4.3  | 1.2  | 0.7  | 2.0  | 2.4  | 1.3  | 1.7  | (2.5) | (0.6) | (0.9) | (1.8) | (0.2) | 0.9  |

\* (Profit/Sales Revenue)

Return on Total Long Term-Capital\*\*  
(percentage)

|            | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1976 | 1975  | 1974 | 1973 | 1972  | 1971  | 1970 |
|------------|------|------|------|------|------|------|------|-------|------|------|-------|-------|------|
| Toyota     | 10.8 | 12.1 | 12.1 | 12.2 | 15.5 | 17.8 | 19.0 | 10.7  | 10.6 | 20.0 | 17.3  | 15.4  | 20.8 |
| Nissan     | 7.6  | 9.4  | 10.6 | 9.1  | 12.6 | 14.8 | 10.7 | 4.2   | 10.2 | 12.9 | 10.4  | 9.2   | 9.6  |
| Honda      | 5.9  | 8.9  | 8.1  | 5.9  | 7.0  | 6.6  | 5.1  | 4.9   | 5.8  | 8.0  | 8.0   | 9.0   | 15.0 |
| Toyo Kogyo | 11.6 | 6.9  | 6.3  | 3.2  | 2.5  | 0.4  | 0.4  | (0.6) | 1.9  | 3.1  | 3.3   | 3.5   | 4.3  |
| Isuzu      | 8.4  | 3.2  | 2.1  | 7.7  | 9.2  | 4.4  | 5.4  | (6.8) | 1.6  | 2.0  | (3.2) | (0.3) | 2.0  |

\*\*(Net Profit/Long-term debt + Equity)

Note: Long-term debt excludes retirement allowances included in Japanese financial reports.

## Data for Graphs (cont'd.)

## Long-Term Debt as Percentage of Long-Term Capital\*

|            | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1976 | 1975 | 1974 | 1973 | 1972 | 1971 | 1970 |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Toyota     | 0.0  | 0.0  | 0.5  | 0.0  | 0.1  | 0.8  | 2.7  | 5.0  | 3.6  | 5.0  | 7.9  | 11.0 | 11.8 |
| Nissan     | 17.5 | 12.9 | 16.3 | 14.8 | 18.1 | 21.0 | 27.9 | 31.8 | 27.6 | 30.0 | 40.0 | 47.9 | 46.5 |
| Honda      | 29.4 | 20.6 | 24.8 | 31.0 | 29.3 | 38.1 | 48.9 | 47.7 | 45.8 | 47.2 | 52.9 | 52.5 | 53.4 |
| Toyo Kogyo | 36.5 | 50.5 | 51.6 | 59.7 | 65.8 | 68.9 | 70.3 | 70.4 | 66.5 | 66.1 | 64.4 | 63.2 | 61.9 |
| Isuzu      | 32.4 | 65.0 | 47.2 | 46.5 | 50.0 | 53.5 | 53.5 | 56.2 | 51.0 | 48.1 | 44.9 | 42.9 | 50.9 |

\*(Long Term Debt/Long Term debt + Equity)

Note: Long-term debt excludes retirement allowance included in Japanese financial reports.

Above Indexed to Base Year  
(1970)

|            | 1982  | 1981  | 1980  | 1979  | 1978  | 1977  | 1976  | 1975  | 1974  | 1973  | 1972  | 1971  | 1970  |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Toyota     | 0.000 | 0.000 | 0.042 | 0.000 | 0.000 | 0.068 | 0.229 | 0.424 | 0.305 | 0.424 | 0.669 | 0.932 | 1.000 |
| Nissan     | 0.376 | 0.277 | 0.351 | 0.318 | 0.389 | 0.452 | 0.600 | 0.684 | 0.594 | 0.645 | 0.860 | 1.030 | 1.000 |
| Honda      | 0.550 | 0.386 | 0.464 | 0.581 | 0.549 | 0.713 | 0.916 | 0.893 | 0.858 | 0.884 | 0.991 | 0.983 | 1.000 |
| Toyo Kogyo | 0.590 | 0.816 | 0.834 | 0.964 | 1.063 | 1.113 | 1.136 | 1.137 | 1.074 | 1.068 | 1.040 | 1.021 | 1.000 |
| Isuzu      | 0.637 | 1.277 | 1.228 | 0.927 | 0.914 | 0.982 | 1.051 | 1.104 | 1.001 | 0.945 | 0.882 | 0.843 | 1.000 |

## Data for Graphs (cont'd.)

Primary Operating Cash Flow\*  
(millions of Dollars)

|            | 1982   | 1981    | 1980    | 1979   | 1978   | 1977  | 1976  | 1975   | 1974   | 1973   | 1972   | 1971   | 1970   |
|------------|--------|---------|---------|--------|--------|-------|-------|--------|--------|--------|--------|--------|--------|
| Toyota     | 431.9  | (80.6)  | 525.7   | 339.3  | 229.4  | 275.6 | 428.1 | 76.9   | (90.8) | 264.4  | 248.0  | (71.2) | (0.6)  |
| Nissan     | 4.1    | 115.5   | 257.4   | 96.0   | 215.0  | 180.7 | 210.9 | 19.4   | 5.3    | 88.2   | 75.5   | (38.5) | (1.7)  |
| Honda      | (17.8) | (3.8)   | 12.9    | (16.1) | (36.6) | (3.7) | (8.0) | (8.1)  | (7.3)  | 48.5   | 41.4   | 15.5   | 8.9    |
| Toyo Kogyo | NA     | (125.5) | (72.0)  | 76.2   | 31.6   | 16.7  | 27.8  | 52.1   | (73.3) | (66.1) | (68.9) | 23.5   | 29.4   |
| Isuzu      | NA     | (80.3)  | (150.5) | 101.9  | 39.8   | 36.6  | 57.0  | (53.5) | (52.5) | (29.1) | (28.4) | (2.2)  | (20.0) |

\*(Net Profit + Depreciation) - Capital Spending

Note: Negatives for Honda reflect large growth in plant and equipment.

Net Working Capital\*\*  
(millions of Dollars)

|            | 1982   | 1981    | 1980   | 1979   | 1978   | 1977  | 1976  | 1975   | 1974  | 1973  | 1972  | 1971  | 1970  |
|------------|--------|---------|--------|--------|--------|-------|-------|--------|-------|-------|-------|-------|-------|
| Toyota     | 1548.7 | 889.7   | 1387.3 | 1117.7 | 1176.7 | 858.6 | 529.7 | 227.0  | 216.1 | 364.0 | 240.9 | 105.6 | 109.1 |
| Nissan     | 484.7  | 315.4   | 470.0  | 234.7  | 243.7  | 189.9 | 69.1  | 40.2   | 41.0  | 131.5 | 124.7 | 136.8 | 125.7 |
| Honda      | 78.4   | 1.7     | 47.2   | 38.3   | 102.1  | 158.4 | 229.6 | 230.4  | 223.1 | 191.5 | 176.3 | 137.6 | 100.9 |
| Toyo Kogyo | 116.9  | 195.2   | 25.3   | 334.8  | 463.8  | 415.2 | 359.9 | 334.9  | 282.4 | 352.2 | 334.9 | 336.4 | 267.9 |
| Isuzu      | 69.7   | (102.6) | (19)   | (53.3) | (28.7) | 4.7   | 1.2   | (54.9) | 14.1  | 82.8  | 84.0  | 98.9  | 38.9  |

\*\*(current assets - current liabilities)

## Data for Graphics (cont'd.)

## Index of Shareholder Equity\*

|            | 1982   | 1981   | 1980  | 1979  | 1978  | 1977  | 1976  | 1975  | 1974  | 1973  | 1972  | 1971  | 1970  |
|------------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Toyota     | 10.978 | 10.087 | 9.522 | 7.592 | 7.788 | 5.309 | 3.640 | 2.766 | 2.542 | 2.477 | 1.694 | 1.259 | 1.000 |
| Nissan     | 9.721  | 9.064  | 8.213 | 6.946 | 6.766 | 4.593 | 3.108 | 2.656 | 2.606 | 2.466 | 1.694 | 1.241 | 1.000 |
| Honda      | 7.511  | 7.731  | 6.630 | 5.311 | 5.715 | 3.718 | 2.675 | 2.451 | 2.348 | 1.958 | 1.604 | 1.242 | 1.000 |
| Toyo Kogyo | NA     | 2.805  | 2.464 | 1.815 | 1.952 | 1.522 | 1.349 | 1.334 | 1.424 | 1.507 | 1.326 | 1.119 | 1.000 |
| Isuzu      | NA     | 3.280  | 3.263 | 3.053 | 3.146 | 2.193 | 1.753 | 1.513 | 1.788 | 1.851 | 1.640 | 1.534 | 1.000 |

\*(Shareholders Equity/Equity in Base Year)

Capital Expenditures - See Flow of Funds Statements

R&amp;D Expenditures - See Table in R&amp;D Chapter

## Investments as a Percentage of Total Assets\*\*

|            | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1976 | 1975 | 1974 | 1973 | 1972 | 1971 | 1970 |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Toyota     | 20.0 | 23.2 | 21.3 | 19.3 | 18.5 | 19.8 | 20.4 | 19.1 | 21.9 | 21.5 | 16.5 | 10.6 | 11.2 |
| Nissan     | 26.0 | 25.4 | 22.2 | 23.3 | 22.2 | 21.4 | 21.1 | 19.9 | 19.6 | 19.1 | 17.1 | 15.8 | 16.0 |
| Honda      | 17.6 | 18.1 | 15.8 | 18.8 | 17.1 | 17.4 | 15.9 | 15.6 | 14.1 | 14.4 | 13.5 | 8.7  | 10.3 |
| Toyo Kogyo | NA   | 5.6  | 5.8  | 5.4  | 4.5  | 4.6  | 6.4  | 6.7  | 3.6  | 4.9  | 4.8  | 4.1  | 4.4  |
| Isuzu      | NA   | 20.0 | 18.5 | 17.8 | 18.0 | 16.7 | 16.3 | 16.0 | 12.9 | 12.0 | 11.8 | 11.4 | 11.6 |

\*\*(Investment/Total Assets)

TOYOTA MOTOR CORPORATION  
Flow of Funds Statement  
(Millions of Dollars)

|                                      | 1982         | 1981         | 1980         | 1979       | 1978       | 1977       | 1976       | 1975       | 1974       | 1973       | 1972       | 1971       | 1970       |
|--------------------------------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total Sales                          | 15,398       | 15,411       | 15,236       | 12,202     | 12,996     | 8,919      | 6,827      | 5,586      | 4,629      | 4,508      | 3,646      | 2,747      | 2,179      |
| Percent Sales in US                  | 20.1         | 22.0         | 21.7         | 21.2       | 21.1       | 21.2       | 20.9       | 18.6       | 17.9       | 19.8       | 20.8       | 21.9       | 19.2       |
| <b>SOURCES OF FUNDS:</b>             |              |              |              |            |            |            |            |            |            |            |            |            |            |
| Net Income                           | 566          | 583          | 661          | 444        | 577        | 455        | 341        | 149        | 134        | 249        | 152        | 104        | 113        |
| Less: Cash Dividends Declared        | 101          | 106          | 94           | 79         | 86         | 45         | 30         | 26         | 26         | 25         | 25         | 19         | 20         |
| Retained Earnings                    | 465          | 477          | 567          | 365        | 491        | 410        | 311        | 123        | 108        | 224        | 127        | 85         | 93         |
| Depreciation                         | 628          | 532          | 486          | 392        | 372        | 239        | 237        | 283        | 226        | 209        | 228        | 169        | 111        |
| Total Internal Funds:                | 1,093        | 1,009        | 1,620        | 752        | 863        | 649        | 548        | 406        | 334        | 433        | 355        | 254        | 204        |
| Long Term Debt                       | 0            | 0            | 0            | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 9          | 19         | 25         |
| New Capital Issue                    | 396          | 0            | 150          | 0          | 0          | 146        | 78         | 0          | 0          | 82         | 2          | 6          | 0          |
| Total External Funds:                | 396          | 0            | 150          | 0          | 0          | 146        | 78         | 0          | 0          | 82         | 11         | 25         | 25         |
| <b>TOTAL SOURCES OF FUNDS:</b>       | <b>1,489</b> | <b>1,009</b> | <b>1,770</b> | <b>752</b> | <b>863</b> | <b>795</b> | <b>626</b> | <b>406</b> | <b>334</b> | <b>515</b> | <b>366</b> | <b>279</b> | <b>229</b> |
| <b>USE OF FUNDS:</b>                 |              |              |              |            |            |            |            |            |            |            |            |            |            |
| Capital Expenditures                 | 762          | 1,196        | 621          | 497        | 720        | 418        | 150        | 355        | 451        | 193        | 132        | 344        | 225        |
| Misc. Investment and all other       | 20           | 250          | 404          | 162        | 44         | 102        | 150        | 25         | 15         | 209        | 141        | 16         | 20         |
| Reduction in Debt                    | 0            | 0            | 0            | 0          | 0          | 0          | 0          | 1          | 3          | 8          | 15         | 10         | 8          |
| <b>TOTAL USE OF FUNDS</b>            | <b>1,489</b> | <b>1,009</b> | <b>1,770</b> | <b>752</b> | <b>863</b> | <b>795</b> | <b>626</b> | <b>406</b> | <b>334</b> | <b>515</b> | <b>366</b> | <b>279</b> | <b>229</b> |
| Increase/Decrease In Working Capital | 707          | 437          | 745          | 93         | 99         | 275        | 326        | 25         | (135)      | 105        | 78         | (91)       | (24)       |

\*estimated

NISSAN MOTOR COMPANY, LTD.  
Flow of Funds Statement  
(Millions of Dollars)

|                                      | 1982         | 1981       | 1980       | 1979       | 1978       | 1977       | 1976       | 1975       | 1974       | 1973       | 1972       | 1971       | 1970       |
|--------------------------------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total Sales                          | 12,795       | 12,257     | 12,607     | 10,043     | 11,154     | 7,892      | 6,055      | 4,780      | 4,342      | 4,295      | 3,305      | 23,79      | 1,859      |
| Percent Sales in US                  | 21.0         | 22.4       | 23.8       | 21.2       | 19.6       | 16.8       | 15.2       | 16.9       | 13.6       | 15.7       | 14.4       | 15.9       | 11.1       |
| <b>SOURCES OF FUNDS:</b>             |              |            |            |            |            |            |            |            |            |            |            |            |            |
| Net Income                           | 344          | 378        | 402        | 285        | 401        | 333        | 179        | 63         | 142        | 175        | 113        | 85         | 69         |
| Less: Cash Dividends Declared        | 92           | 81         | 84         | 65         | 61         | 38         | 30         | 29         | 30         | 26         | 22         | 19         | 18         |
| Retained Earnings                    | 252          | 297        | 318        | 220        | 340        | 295        | 149        | 34         | 112        | 149        | 91         | 65         | 51         |
| Depreciation                         | 446          | 391        | 392        | 313        | 310        | 193        | 176        | 181        | 183        | 181        | 156        | 100        | 82         |
| Total Internal Funds:                | 698          | 688        | 710        | 533        | 650        | 488        | 325        | 215        | 295        | 330        | 247        | 165        | 133        |
| Long Term Debt                       | 599          | 38         | 248        | 94         | 150        | 83         | 88         | 217        | 77         | 79         | 89         | 142        | 124        |
| New Capital Issue                    | 317          | 176        | 18         | 172        | 15         | 112        | 2          | 7          | 5          | 93         | 21         | 0          | 0          |
| Total External Funds                 | 826          | 214        | 266        | 266        | 165        | 195        | 90         | 224        | 82         | 172        | 110        | 142        | 124        |
| <b>TOTAL SOURCES OF FUNDS:</b>       | <b>1,524</b> | <b>902</b> | <b>976</b> | <b>799</b> | <b>815</b> | <b>683</b> | <b>415</b> | <b>439</b> | <b>377</b> | <b>502</b> | <b>357</b> | <b>367</b> | <b>257</b> |
| <b>USE OF FUNDS:</b>                 |              |            |            |            |            |            |            |            |            |            |            |            |            |
| Capital Expenditures                 | 787          | 653        | 538        | 502        | 495        | 345        | 144        | 224        | 319        | 268        | 194        | 223        | 153        |
| Misc. Investment and all other       | 384          | 329        | 123        | 168        | 139        | 88         | 132        | 99         | 57         | 108        | 76         | 63         | 75         |
| Reduction in Debt                    | 68           | 89         | 136        | 149        | 154        | 118        | 95         | 103        | 119        | 126        | 109        | 81         | 60         |
| <b>TOTAL USE OF FUNDS</b>            | <b>1,524</b> | <b>902</b> | <b>976</b> | <b>799</b> | <b>815</b> | <b>683</b> | <b>415</b> | <b>439</b> | <b>377</b> | <b>502</b> | <b>357</b> | <b>307</b> | <b>257</b> |
| Increase/Decrease in Working Capital | 285          | (169)      | 182        | (20)       | 27         | 132        | 44         | 13         | (118)      | 0          | (22)       | (60)       | (31)       |

\*estimated

HONDA MOTOR COMPANY, LTD.  
Flow of Funds Statement  
(Millions of Dollars)

|                                      | 1982  | 1981  | 1980  | 1979  | 1978  | 1977  | 1976  | 1975  | 1974  | 1973  | 1972  | 1971 | 1970 |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|
| Total Sales                          | 6,176 | 5,911 | 4,923 | 4,016 | 4,219 | 2,607 | 1,929 | 1,738 | 1,253 | 1,197 | 1,121 | 942  | 680  |
| Percent Sales in US                  | 38.0* | 38.5  | 41.4  | 44.4  | 38.8  | 34.3  | 27.0  | 24.0  | 9.7   | 11.0  | 7.1   | 3.1  | 1.0  |
| <b>SOURCES OF FUNDS:</b>             |       |       |       |       |       |       |       |       |       |       |       |      |      |
| Net Income                           | 97    | 133   | 109   | 70    | 87    | 61    | 41    | 36    | 39    | 46    | 42    | 36   | 34   |
| Less: Cash Dividends Declared        | 30    | 30    | 26    | 23    | 25    | 17    | 15    | 12    | 12    | 12    | 11    | 10   | 9    |
| Retained Earnings                    | 67    | 103   | 83    | 47    | 62    | 44    | 26    | 24    | 27    | 34    | 31    | 26   | 25   |
| Depreciation                         | 162   | 135   | 127   | 108   | 100   | 60    | 45    | 39    | 35    | 41    | 40    | 31   | 25   |
| Total External Funds:                | 229   | 238   | 210   | 155   | 162   | 104   | 71    | 63    | 62    | 75    | 71    | 57   | 50   |
| Long Term Debt                       | 148   | 68    | 42    | 162   | 51    | 11    | 97    | 79    | 89    | 10    | 66    | 35   | 34   |
| New Capital Issue                    | 6     | 112   | 73    | 0     | 89    | 60    | 0     | 0     | 53    | 0     | 0     | 0    | 0    |
| Total External Funds                 | 155   | 180   | 115   | 162   | 140   | 71    | 97    | 79    | 142   | 10    | 66    | 35   | 34   |
| <b>TOTAL SOURCES OF FUNDS:</b>       | 384   | 418   | 325   | 317   | 302   | 175   | 168   | 142   | 204   | 85    | 137   | 92   | 84   |
| <b>USE OF FUNDS:</b>                 |       |       |       |       |       |       |       |       |       |       |       |      |      |
| Capital Expenditures                 | 277   | 272   | 222   | 194   | 223   | 124   | 94    | 83    | 81    | 38    | 40    | 51   | 51   |
| Misc. Investment and all other       | 81    | 106   | 1     | 59    | 46    | 49    | 26    | 29    | 35    | 9     | 48    | 2    | 11   |
| Reduction in Debt                    | 45    | 93    | 103   | 98    | 96    | 76    | 25    | 27    | 30    | 24    | 19    | 16   | 13   |
| <b>TOTAL USE OF FUNDS</b>            | 384   | 418   | 325   | 317   | 302   | 175   | 168   | 142   | 204   | 85    | 137   | 92   | 84   |
| Increase/Decrease in Working Capital | (19)  | (53)  | (1)   | (34)  | (63)  | (74)  | 23    | 3     | 58    | 14    | 30    | 23   | 10   |

\*estimated



TOYO KOGYO COMPANY, LTD.  
Flow of Funds Statement  
(Millions of Dollars)

|   | <u>1982</u> | <u>1981</u> | <u>1980</u> | <u>1979</u> | <u>1978</u> | <u>1977</u> | <u>1976</u> | <u>1975</u> | <u>1974</u> | <u>1973</u> | <u>1972</u> | <u>1971</u> | <u>1970</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total Sales                                 | NA          | 5,112       | 4,745       | 3,636       | 3,408       | 2,449       | 2,012       | 1,660       | 1,771       | 1,665       | 1,159       | 805         | 616         |
| Percent Sales in US                         | NA          | 24.1        | 26.6        | 24.3        | 20.2        | 16.3        | 7.7         | 10.8        | 10.2        | 16.4        | 9.9         | 4.0         | *           |
| <b>SOURCES OF FUNDS:</b>                    |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Net Income                                  | NA          | 34          | 72          | 32          | 13          | 4           | 4           | (6)         | 18          | 31          | 28          | 24          | 25          |
| Less: Cash Dividends Declared               | NA          | 16          | 14          | 9           | 10          | 8           | 7           | 8           | 14          | 15          | 14          | 12          | 13          |
| Retained Earnings                           | NA          | 18          | 58          | 23          | 3           | (4)         | (3)         | (14)        | 2           | 16          | 14          | 12          | 12          |
| Depreciation                                | NA          | 144         | 119         | 98          | 110         | 77          | 60          | 77          | 77          | 71          | 52          | 44          | 43          |
| Total Internal Funds                        | NA          | 162         | 177         | 121         | 113         | 73          | 57          | 63          | 79          | 87          | 66          | 56          | 55          |
| Long Term Debt                              | NA          | 213         | 132         | 91          | 155         | 151         | 165         | 260         | 160         | 203         | 164         | 137         | 109         |
| New Capital Issue                           | NA          | 29          | 63          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 1           |
| Total External Funds                        | NA          | 242         | 195         | 91          | 155         | 151         | 165         | 260         | 160         | 203         | 164         | 137         | 109         |
| <b>TOTAL SOURCES OF FUNDS:</b>              | NA          | 404         | 372         | 212         | 268         | 224         | 222         | 323         | 239         | 290         | 230         | 193         | 165         |
| <b>USE OF FUNDS:</b>                        |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Capital Expenditures                        | NA          | 356         | 264         | 54          | 92          | 64          | 36          | 20          | 170         | 168         | 148         | 45          | 38          |
| Misc. Investment and all other              | NA          | 12          | 32          | 11          | (21)        | (51)        | 0           | 77          | (16)        | 11          | 19          | 4           | 6           |
| Reduction in Debt                           | NA          | 168         | 203         | 236         | 249         | 184         | 150         | 128         | 105         | 104         | 101         | 89          | 74          |
| <b>TOTAL USE OF FUNDS</b>                   | NA          | 404         | 372         | 212         | 268         | 224         | 222         | 323         | 239         | 290         | 230         | 193         | 165         |
| <b>Increase/Decrease in Working Capital</b> | NA          | (132)       | (127)       | (89)        | (52)        | 27          | 36          | 107         | (20)        | 7           | (38)        | 51          | 47          |

\*Less than 1 percent

ISUZU MOTORS LIMITED  
Flow of Funds Statement  
(Millions of Dollars)

|                                      | 1982 | 1981  | 1980  | 1979  | 1978  | 1977  | 1976  | 1975  | 1974  | 1973 | 1972 | 1971 | 1970 |
|--------------------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|
| Total Sales                          | NA   | 3,197 | 3,165 | 2,766 | 2,842 | 1,827 | 1,453 | 1,191 | 1,115 | 959  | 661  | 588  | 552  |
| Percent Sales in US                  | NA   |       |       |       |       |       |       |       |       |      |      |      |      |
| <b>SOURCES OF FUNDS:</b>             |      |       |       |       |       |       |       |       |       |      |      |      |      |
| Net Income                           | NA   | 37    | 23    | 55    | 67    | 24    | 25    | (29)  | 7     | 9    | (12) | (1)  | 5    |
| Less: Cash Dividends Declared        | NA   | 17    | 18    | 18    | 23    | 0     | 0     | 0     | 0     | 0    | 0    | 2    | 8    |
| Retained Earnings                    | NA   | 20    | 5     | 37    | 44    | 24    | 25    | (29)  | 7     | 9    | (12) | (3)  | (3)  |
| Depreciation                         | NA   | 82    | 84    | 61    | 55    | 46    | 51    | 46    | 37    | 33   | 30   | 29   | 27   |
| Total Internal Funds                 | NA   | 102   | 89    | 98    | 99    | 70    | 76    | 17    | 44    | 42   | 18   | 30   | 24   |
| Long Term Debt                       | NA   | 204   | 310   | 72    | 40    | 37    | 47    | 62    | 58    | 76   | 51   | 39   | 36   |
| New Capital Issue                    | NA   | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0    | 0    | 60   | 0    |
| Total External Funds:                | NA   | 204   | 310   | 72    | 40    | 37    | 47    | 62    | 58    | 76   | 51   | 99   | 36   |
| <b>TOTAL SOURCES OF FUNDS:</b>       | NA   | 306   | 399   | 160   | 139   | 107   | 123   | 79    | 102   | 118  | 69   | 129  | 60   |
| <b>USE OF FUNDS:</b>                 |      |       |       |       |       |       |       |       |       |      |      |      |      |
| Capital Expenditures                 | NA   | 200   | 257   | 148   | 82    | 33    | 19    | 70    | 96    | 71   | 47   | 30   | 52   |
| Misc. Investment and all other       | NA   | 92    | 110   | 27    | 55    | 24    | 10    | 42    | 31    | 16   | 2    | 4    | (1)  |
| Reduction in Debt                    | NA   | 78    | 63    | 59    | 67    | 45    | 34    | 31    | 31    | 39   | 33   | 25   | 24   |
| <b>TOTAL USE OF FUNDS</b>            | NA   | 306   | 399   | 160   | 139   | 107   | 123   | 79    | 102   | 118  | 69   | 129  | 60   |
| Increase/Decrease in Working Capital | NA   | (64)  | (31)  | (74)  | (65)  | 5     | 60    | (64)  | (56)  | (8)  | (13) | 70   | (15) |

\*Less than 1 percent

TOYOTA MOTOR CORPORATION  
Summary Balance Sheet  
(Millions of Dollars)

|                                   | <u>1982</u>  | <u>1981</u>  | <u>1980</u>  | <u>1979</u>  | <u>1978</u>  | <u>1977</u>  | <u>1976</u>  | <u>1975</u>  | <u>1974</u>  | <u>1973</u>  | <u>1972</u>  | <u>1971</u>  | <u>1970</u>  |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>ASSETS</b>                     |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Current Assets                    | 4,375        | 3,569        | 4,262        | 3,310        | 3,418        | 2,469        | 1,862        | 1,340        | 987          | 1,284        | 905          | 601          | 526          |
| Fixed Assets                      | 4,177        | 4,420        | 3,672        | 2,964        | 3,075        | 2,106        | 1,602        | 1,504        | 1,438        | 1,281        | 1,002        | 846          | 610          |
| Investments                       | 1,714        | 1,861        | 1,686        | 1,214        | 1,199        | 907          | 707          | 544          | 530          | 551          | 315          | 153          | 128          |
| Property, Plant, & Equipment      | 2,464        | 2,560        | 1,985        | 1,750        | 1,876        | 1,200        | 895          | 961          | 910          | 730          | 688          | 693          | 483          |
| Land                              | 417          | 442          | 439          | 366          | 371          | 233          | 95           | 93           | 86           | 75           | 60           | 52           | 39           |
| Buildings                         | 762          | 714          | 529          | 504          | 528          | 329          | 279          | 291          | 269          | 250          | 218          | 197          | 159          |
| Machinery & Equipment             | 963          | 972          | 656          | 632          | 713          | 407          | 325          | 398          | 410          | 331          | 360          | 383          | 228          |
| Other                             | 322          | 432          | 361          | 248          | 264          | 231          | 196          | 179          | 145          | 74           | 50           | 61           | 57           |
| Intangible Fixed Assets           | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>TOTAL ASSETS</b>               | <b>8,553</b> | <b>7,989</b> | <b>7,934</b> | <b>6,274</b> | <b>6,493</b> | <b>4,576</b> | <b>3,463</b> | <b>2,844</b> | <b>2,426</b> | <b>2,565</b> | <b>1,907</b> | <b>1,447</b> | <b>1,136</b> |
| <b>LIABILITIES</b>                |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Current Liabilities               | 2,827        | 2,680        | 2,875        | 2,192        | 2,242        | 1,621        | 1,332        | 1,113        | 771          | 920          | 664          | 496          | 417          |
| Long-Term Liabilities             | 440          | 437          | 438          | 356          | 368          | 255          | 221          | 213          | 159          | 152          | 129          | 116          | 96           |
| Special Reserves                  | 32           | 45           | 65           | 92           | 56           | 159          | 168          | 194          | 278          | 308          | 303          | 233          | 145          |
| Stockholder Equity                | 5,254        | 4,828        | 4,557        | 3,633        | 3,727        | 2,541        | 1,742        | 1,324        | 1,217        | 1,185        | 811          | 602          | 479          |
| <b>TOTAL LIABILITY AND EQUITY</b> | <b>8,553</b> | <b>7,989</b> | <b>7,934</b> | <b>6,274</b> | <b>6,493</b> | <b>4,576</b> | <b>3,463</b> | <b>2,844</b> | <b>2,426</b> | <b>2,565</b> | <b>1,907</b> | <b>1,447</b> | <b>1,136</b> |

\* Columns may not add due to rounding.

H O N D A   M O T O R   C O . ,   L T D .  
Summary Balance Sheet  
(Millions of Dollars)

|                                   | <u>1982</u>  | <u>1981</u>  | <u>1980</u>  | <u>1979</u>  | <u>1978</u>  | <u>1977</u>  | <u>1976</u>  | <u>1975</u>  | <u>1974</u>  | <u>1973</u> | <u>1972</u> | <u>1971</u> | <u>1970</u> |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| <b>ASSETS</b>                     |              |              |              |              |              |              |              |              |              |             |             |             |             |
| Current Assets                    | 1,626        | 1,410        | 1,464        | 1,074        | 1,259        | 883          | 753          | 684          | 586          | 475         | 494         | 405         | 285         |
| Fixed Assets                      | 1,572        | 1,512        | 1,326        | 1,166        | 1,165        | 783          | 588          | 504          | 441          | 384         | 349         | 266         | 227         |
| Investments                       | 563          | 530          | 442          | 421          | 414          | 291          | 213          | 185          | 159          | 133         | 114         | 59          | 54          |
| Property, Plant, & Equipment      | 1,004        | 977          | 880          | 742          | 749          | 491          | 374          | 318          | 280          | 250         | 233         | 206         | 173         |
| Land                              | 364          | 345          | 290          | 132          | 145          | 102          | 83           | 74           | 71           | 64          | 50          | 42          | 35          |
| Buildings                         | 250          | 251          | 224          | 188          | 201          | 152          | 128          | 91           | 86           | 84          | 77          | 66          | 56          |
| Machinery & Equipment             | 291          | 302          | 268          | 257          | 259          | 162          | 121          | 104          | 82           | 76          | 75          | 65          | 56          |
| Other                             | 99           | 79           | 98           | 165          | 144          | 75           | 42           | 49           | 41           | 26          | 31          | 33          | 28          |
| Intangible Fixed Assets           | 5            | 5            | 4            | 3            | 3            | 2            | 2            | 1            | 1            | 1           | 1           | 1           | 1           |
| <b>TOTAL ASSETS</b>               | <b>3,198</b> | <b>2,921</b> | <b>2,791</b> | <b>2,241</b> | <b>2,425</b> | <b>1,666</b> | <b>1,342</b> | <b>1,188</b> | <b>1,027</b> | <b>860</b>  | <b>846</b>  | <b>674</b>  | <b>517</b>  |
| <b>LIABILITIES</b>                |              |              |              |              |              |              |              |              |              |             |             |             |             |
| Current Liabilities               | 1,547        | 1,408        | 1,417        | 1,036        | 1,157        | 724          | 523          | 453          | 353          | 284         | 318         | 267         | 184         |
| Long-Term Liabilities             | 481          | 308          | 335          | 366          | 364          | 352          | 393          | 344          | 304          | 269         | 277         | 211         | 176         |
| Special Reserves                  | 16           | 18           | 21           | 23           | 26           | 19           | 14           | 15           | 9            | 7           | 5           | 5           | 4           |
| Shareholder Equity                | 1,154        | 1,188        | 1,018        | 816          | 878          | 571          | 411          | 377          | 361          | 301         | 246         | 191         | 154         |
| <b>TOTAL LIABILITY AND EQUITY</b> | <b>3,198</b> | <b>2,921</b> | <b>2,791</b> | <b>2,241</b> | <b>2,425</b> | <b>1,666</b> | <b>1,342</b> | <b>1,188</b> | <b>1,027</b> | <b>860</b>  | <b>846</b>  | <b>674</b>  | <b>517</b>  |

\* Columns may not add due to rounding.

T O Y O K O G Y O C O . , L T D .  
Summary Balance Sheet  
(Millions of Dollars)

|                                   | 1982 | 1981  | 1980  | 1979  | 1978  | 1977  | 1976  | 1975  | 1974  | 1973  | 1972  | 1971  | 1970  |
|-----------------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>ASSETS</b>                     |      |       |       |       |       |       |       |       |       |       |       |       |       |
| Current Assets                    | NA   | 2,077 | 2,074 | 1,752 | 2,281 | 2,044 | 1,765 | 1,604 | 1,458 | 1,394 | 1,208 | 1,019 | 790   |
| Fixed Assets                      | NA   | 1,154 | 974   | 754   | 897   | 735   | 700   | 709   | 705   | 672   | 521   | 358   | 331   |
| Investments                       | NA   | 180   | 176   | 136   | 142   | 127   | 157   | 153   | 78    | 101   | 83    | 57    | 49    |
| Property, Plant, & Equipment      | NA   | 975   | 798   | 618   | 755   | 607   | 544   | 555   | 626   | 571   | 438   | 302   | 281   |
| Land                              | NA   | 102   | 107   | 110   | 132   | 99    | 102   | 100   | 120   | 114   | 96    | 81    | 83    |
| Buildings                         | NA   | 203   | 203   | 195   | 235   | 196   | 184   | 188   | 207   | 191   | 137   | 92    | 91    |
| Machinery & Equipment             | NA   | 387   | 336   | 186   | 232   | 186   | 170   | 186   | 208   | 171   | 110   | 76    | 73    |
| Other                             | NA   | 283   | 152   | 127   | 156   | 126   | 88    | 81    | 91    | 95    | 95    | 51    | 34    |
| Intangible Fixed Assets           | NA   | 1     | neg1  | neg1  | neg1  | neg1  | neg1  | neg1  | neg1  | neg1  | neg1  | neg1  | neg1  |
| <b>TOTAL ASSETS</b>               | NA   | 3,231 | 3,048 | 2,506 | 3,178 | 2,780 | 2,466 | 2,313 | 2,164 | 2,067 | 1,729 | 1,378 | 1,122 |
| <b>LIABILITIES</b>                |      |       |       |       |       |       |       |       |       |       |       |       |       |
| Current Liabilities               | NA   | 1,881 | 1,821 | 1,417 | 1,817 | 1,629 | 1,405 | 1,268 | 1,176 | 1,042 | 873   | 682   | 522   |
| Long-Term Liabilities             | NA   | 724   | 677   | 684   | 926   | 811   | 760   | 747   | 664   | 684   | 556   | 442   | 374   |
| Special Reserves                  | NA   | neg1  | neg1  | 0     | 0     | 0     | 0     | 0     | 6     | 5     | 4     | 4     | 3     |
| Equity                            | NA   | 626   | 550   | 405   | 436   | 340   | 301   | 298   | 318   | 336   | 296   | 250   | 223   |
| <b>TOTAL LIABILITY AND EQUITY</b> | NA   | 3,231 | 3,048 | 2,506 | 3,178 | 2,780 | 2,466 | 2,313 | 2,164 | 2,067 | 1,729 | 1,378 | 1,122 |

\* Columns may not add due to rounding.

**ISUZU MOTORS LIMITED**  
Summary Balance Sheet  
(Millions of Dollars)

|                                   | <u>1982</u> | <u>1981</u> | <u>1980</u> | <u>1979</u> | <u>1978</u> | <u>1977</u> | <u>1976</u> | <u>1975</u> | <u>1974</u> | <u>1973</u> | <u>1972</u> | <u>1971</u> | <u>1970</u> |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>ASSETS</b>                     |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Current Assets                    | NA          | 1,426       | 1,428       | 1,127       | 1,222       | 895         | 703         | 625         | 649         | 614         | 505         | 475         | 399         |
| Fixed Assets                      | NA          | 1,301       | 1,142       | 813         | 798         | 564         | 485         | 496         | 440         | 375         | 296         | 245         | 224         |
| Investments                       | NA          | 545         | 474         | 345         | 363         | 244         | 193         | 179         | 141         | 118         | 95          | 82          | 73          |
| Property, Plant, & Equipment      | NA          | 755         | 668         | 468         | 434         | 320         | 292         | 316         | 299         | 256         | 201         | 163         | 151         |
| Land                              | NA          | 125         | 126         | 104         | 105         | 83          | 67          | 63          | 63          | 56          | 51          | 41          | 38          |
| Buildings                         | NA          | 192         | 165         | 125         | 117         | 86          | 76          | 78          | 73          | 64          | 54          | 44          | 41          |
| Machinery & Equipment             | NA          | 308         | 229         | 171         | 153         | 109         | 107         | 108         | 102         | 85          | 70          | 57          | 52          |
| Other                             | NA          | 130         | 148         | 68          | 59          | 42          | 42          | 67          | 61          | 51          | 26          | 21          | 20          |
| Intangible Fixed Assets           | NA          | 1           | 1           | 1           | 1           | 1           | neg1        | 1           | 1           | neg1        | neg1        | neg1        | neg1        |
| <b>TOTAL ASSETS</b>               | NA          | 2,727       | 2,565       | 1,940       | 2,020       | 1,460       | 1,188       | 1,120       | 1,089       | 988         | 801         | 720         | 623         |
| <b>LIABILITIES</b>                |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Current Liabilities               | NA          | 1,529       | 1,442       | 1,180       | 1,251       | 891         | 702         | 679         | 635         | 531         | 421         | 376         | 360         |
| Long-Term Liabilities             | NA          | 787         | 714         | 377         | 374         | 294         | 265         | 254         | 233         | 226         | 178         | 153         | 138         |
| Special Reserves                  | NA          | 6           | 6           | 6           | 7           | 5           | 4           | 0           | 1           | 3           | 0           | 2           | 2           |
| Equity                            | NA          | 405         | 403         | 377         | 389         | 271         | 217         | 189         | 221         | 229         | 203         | 189         | 124         |
| <b>TOTAL LIABILITY AND EQUITY</b> | NA          | 2,727       | 2,565       | 1,940       | 2,020       | 1,460       | 1,188       | 1,120       | 1,089       | 988         | 801         | 720         | 623         |

\* Columns may not add due to rounding.

N I S S A N   M O T O R   C O . ,   L T D .  
Summary Balance Sheet  
(Millions of Dollars)

|                                   | <u>1982</u>  | <u>1981</u>  | <u>1980</u>  | <u>1979</u>  | <u>1978</u>  | <u>1977</u>  | <u>1976</u>  | <u>1975</u>  | <u>1974</u>  | <u>1973</u>  | <u>1972</u>  | <u>1971</u>  | <u>1970</u>  |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>ASSETS</b>                     |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Current Assets                    | 3,948        | 3,729        | 4,176        | 3,346        | 3,753        | 2,902        | 2,455        | 2,100        | 1,840        | 1,968        | 1,784        | 1,469        | 1,141        |
| Fixed Assets                      | 4,462        | 4,117        | 3,697        | 3,245        | 3,297        | 2,336        | 1,840        | 1,704        | 1,594        | 1,497        | 1,200        | 961          | 723          |
| Investments                       | 2,186        | 1,991        | 1,744        | 1,535        | 1,562        | 1,119        | 905          | 759          | 674          | 661          | 509          | 383          | 299          |
| Property, Plant, & Equipment      | 2,268        | 2,118        | 1,944        | 1,702        | 1,725        | 1,208        | 927          | 938          | 914          | 831          | 686          | 573          | 420          |
| Land                              | 400          | 415          | 410          | 293          | 311          | 236          | 192          | 177          | 152          | 128          | 103          | 69           | 42           |
| Buildings                         | 678          | 576          | 575          | 533          | 570          | 431          | 337          | 330          | 309          | 295          | 238          | 202          | 152          |
| Machinery & Equipment             | 852          | 717          | 640          | 584          | 586          | 350          | 266          | 300          | 305          | 288          | 250          | 212          | 156          |
| Other                             | 338          | 410          | 319          | 302          | 258          | 191          | 132          | 131          | 148          | 120          | 95           | 90           | 70           |
| Intangible Fixed Assets           | 8            | 8            | 9            | 8            | 10           | 8            | 7            | 8            | 5            | 5            | 5            | 5            | 4            |
| <b>TOTAL ASSETS</b>               | <b>8,410</b> | <b>7,846</b> | <b>7,873</b> | <b>6,592</b> | <b>7,050</b> | <b>5,237</b> | <b>4,295</b> | <b>3,804</b> | <b>3,434</b> | <b>3,465</b> | <b>2,985</b> | <b>2,430</b> | <b>1,863</b> |
| <b>LIABILITIES</b>                |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Current Liabilities               | 3,463        | 3,413        | 3,706        | 3,112        | 3,510        | 2,712        | 2,386        | 2,060        | 1,799        | 1,837        | 1,660        | 1,332        | 1,015        |
| Long-Term Liabilities *           | 1,109        | 825          | 868          | 655          | 738          | 581          | 547          | 545          | 430          | 450          | 453          | 454          | 347          |
| Special Reserves                  | 89           | 112          | 131          | 147          | 194          | 174          | 164          | 175          | 200          | 228          | 219          | 165          | 116          |
| Equity                            | 3,748        | 3,495        | 3,167        | 2,679        | 2,609        | 1,771        | 1,198        | 1,024        | 1,005        | 951          | 653          | 479          | 386          |
| <b>TOTAL LIABILITY AND EQUITY</b> | <b>8,410</b> | <b>7,846</b> | <b>7,873</b> | <b>6,592</b> | <b>7,050</b> | <b>5,237</b> | <b>4,295</b> | <b>3,804</b> | <b>3,434</b> | <b>3,465</b> | <b>2,985</b> | <b>2,430</b> | <b>1,863</b> |

\* Columns may not add due to rounding.

EXCHANGE-RATES

1982 = 250¥/\$1

1981 = 228¥/\$1

1980 = 217¥/\$1

1979 = 230¥/\$1

1978 = 201¥/\$1

1977 = 257¥/\$1

1976 = 292¥/\$1

1975 = 299¥/\$1

1974 = 293¥/\$1

1973 = 274¥/\$1

1972 = 297¥/\$1

1971 = 336¥/\$1

1970 = 360¥/\$1